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OES FOR TODD STERN AND CLIMATE TEAM

SIPDIS

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SUBJECT: CLIMATE -- SWEDEN A BIT DISAPPOINTED IN SECOND MEF; AND
RECOMMENDATIONS FROM FORMER CHIEF CLIMATE NEGOTIATOR

¶1. (SBU) Summary: The natural instinct of Sweden's climate negotiators, past and present, is to act as honest brokers - between the U.S. and Europe; between the U.S. and China; between the developed and developing world. Holding the EU Presidency will only reinforce this tendency. It is to the USG's advantage to maintain close contact with the GOS, via Embassy Stockholm as well as through direct contact such as, for example, the recent DVC between S/E Stern and Environment Minister Carlgren. End summary.

¶2. (SBU) We spoke to Lars-Erik Liljelund, PM Reinfeldt's Climate Czar, a few days after the second MEF meeting. He expressed disappointment with the Paris-MEF, noting that the first meeting in Washington in April was more useful and more productive. It was particularly the first day, he said, where the harsh tone at the outset of the discussions resulted in a division between developing and developed countries that hampered discussions. We understood, for example, that the Indian delegation had reacted poorly to S/E Stern's opening statements, which according to Liljelund were delivered in what seemed to be a somewhat hard and uncompromising tone -- setting limits to what the U.S. could discuss and agree to.

¶3. (SBU) Liljelund said that the divisions between developing and developed countries were particularly hard in the mitigation discussions. On a positive note, he described the sessions on technology transfer and also financing as useful and productive. Overall, he said the second day was better.

¶4. (SBU) Another concern expressed by Liljelund is that it is difficult to agree on what to make of the Leader's meeting in July, in conjunction with the G8 Summit. Delegations struggled with what to make of the opportunity.

¶5. (SBU) Embassy Stockholm attended a seminar on the Swedish EU Presidency May 28-29, where Sweden's former chief climate negotiator Bo Kjellen participated in a panel. His recommendations for GOS climate aspirations during its Presidency are as follows:

- The GOS needs close contact with the U.S.,
- Sweden needs to work on flexibility to implement the EU's commitments,
- Some innovative thinking is required, to move the mid-term target year to 2030 instead of 2020,
- Both flexibility and firmness needed vis-a-vis the G-77; need to consider Millennium Development Goal commitments for 2015 and Biodiversity Convention, for example,

¶6. (SBU) Kjellen predicted that agreements on technology transfer and financial commitments will be negotiated the last night at COP-15. He urged the GOS to see the financial crisis as an opportunity to develop new industries/technologies, citing solar panels in Africa as an example. The present situation is an immense possibility, a window of opportunity, Kjellen opined, arguing that a carbon market at the OECD level, for example, would be a huge step forward. In closing, he noted that we are beyond the point of no

return, so he called on the GOS and the EU to use the opportunity of having the new Obama Administration in place, to succeed in Copenhagen.

17. (SBU) Comment: Sweden plans to use its EU Presidency to push for an agreement at COP-15. A key part of this effort will be trying to broker differences between the U.S. and EU, and between developed and developing countries. Post recommends the USG take maintain close contact with the GOS, via Embassy Stockholm as well as through direct contact such as, for example, the recent DVC between S/E Stern and Environment Minister Carlgren. End comment.

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